

S & R Construction Co., Inc.

60 Dyerville Avenue

Johnston, Rhode Island 02919

Telephone: (401) 831-6337 Fax: (401) 276-7031



November 18, 2002

Dante Cornelio
Eastern Contractors, Inc.
571 Union Avenue
Framingham, MA 01702

SENT VIA FAX AND U S MAIL

Re: Wetherbee School, Lawrence, MA
LEDGE/ ROCK REMOVAL (revised 11/18/02)

Dear Dante:

Please be informed that S&R cannot accept the unit price set forth for ledge removal at the above-mentioned project. The unit price set forth, if accepted would place great financial strain on S&R Construction. S&R will seek to be reimbursed for the cost to remove the ledge at a fair and reasonable market price. We will also seek additional reimbursement for the original 3,000 cubic yards of open ledge. Also note, the contract ledge quantities included fill replacement at the areas of displaced fractured ledge. The additional ledge quantities did not include fill replacement for the displaced ledge. We will seek to be reimbursed for all additional fill required to infill the displaced ledge. We base this request on the following facts.

1. The unit price set forth addresses the ledge in question to be blasted. Because of the proximity of the ledge in relation to the building as well as other contributing factors and historical guidelines the ledge needed to be removed by mechanical methods. A unit price for removal by mechanical means is not addressed in the project manual.
2. The quantity of ledge encountered exceeds the amount carried by more than three times. The contract allows for renegotiation of unit prices that exceed the anticipated quantities by over twenty percent.

Based on the above facts S&R will seek to be compensated as follows.

Additional ledge encountered to date, 5,766.32 cubic yards @ market value of \$275.00 per yard =	\$1,585,738.00
Contract open ledge encountered and removed, 3,000 cubic yards @ \$275.00 per yard=	\$ 825,000.00
Fill replacement requirements for additional quantities 5,766.32 @ \$20.00 per cubic yard=	\$ 115,326.40
Less prior ledge requisitioned	\$ (313,313.14)
Plus 15% profit and overhead on additional amounts over contract	\$ 361,584.66

ADDITIONAL REIMBURSEMENT REQUIREMENT

\$2,574,335.92

Also note, no time extension was granted for the additional time and delays caused beyond our control. We will require a project extension for the time required as per the signed daily work orders pertaining to all additional work over and above the work listed under the base contract. Overtime charges also pertain and have not been added to this request. S&R is entitled to be reimbursed for overtime requirements as a result of this additional work.

This matter has caused great financial strain on S&R Construction. We request this matter be given immediate attention to avoid further project delays.

Sincerely,

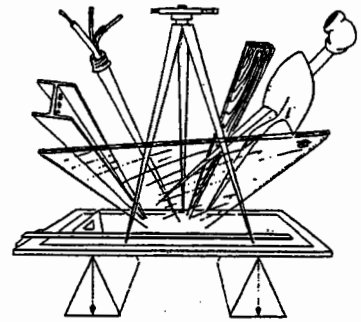
S&R CONSTRUCTION CO., INC.

Steven L. Rodi
Senior Project Manager

CC: Rocco Izzo

Enclosures (market value pricing) (spreadsheet itemizing cost)

Architects **C**ontractors **E**ngineers



Guide To Construction COSTS

XXXIII

2002

DIVISION #2 - SITEWORK & DEMOLITION**0202.0 EARTHWORK (Op. Eng., Truck Driver & Lab.)**

.1	GRADING	Machine	(1)		(1)	
			UNIT	COST	UNIT	COST
		Strip Top Soil - 4"	CuYd	5.00	SqYd	.55
		Spread Top Soil				
		4" Site Borrow	CuYd	5.45	SqYd	.60
		Off-Site Borrow (\$12 CuYd)	CuYd	19.50	SqYd	2.20
		Rough Grading - Cut and Fill	UNIT	(1) SOFT	(1) MED.	(1) HARD
		Dozer - To 200'	CuYd	3.30	3.55	4.20
		To 500'	CuYd	3.70	5.30	6.60
		Scraper - Self Propelled - To 500'	CuYd	2.95	3.30	3.85
		To 1,000'	CuYd	3.75	4.40	5.20
		Grader - To 200'	CuYd	3.25	3.80	5.50
		Add for Compaction (See 0202.4)				
		Add for Hauling Away (See 0202.5)				
		Add for Truck Haul on Site	CuYd	2.55	-	-
		Add for Borrow Brought In				
		Loose Fill - 2.75 Ton	CuYd	10.40	-	-
		Crushed Stone - 5.30 Ton	CuYd	13.75	-	-
		Gravel - 4.10 Ton	CuYd	12.00	-	-
		Hand and Machine	UNIT	HAND		MACHINE
		Fine Grading - 4" Fill - Site	CuYd	10.80		5.20
			or SqFt	.14		.07
		4" Fill - Building	CuYd	20.00		9.80
			or SqFt	.25		.12
.2	EXCAVATION - Dig & Cast or Load (No Hauling)					
		Soil				
		Open - Soft (Sand) w/Backhoe or Shovel	CuYd	19.60		3.20
		Medium (Clay)	CuYd	27.75		3.95
		Hard	CuYd	43.20		5.50
		Add for Clamshell or Dragline	CuYd	-		1.25
		Deduct for Front End Loader	CuYd	-		1.05
		Deduct for Dozer	CuYd	-		.27
		Trench or Pocket - Soft w/Backhoe or Shovel	CuYd	22.60		4.70
		Medium	CuYd	28.70		6.10
		Hard	CuYd	41.30		7.40
		Add for Clamshell or Dragline	CuYd	-		1.15
		Augered - 12" diameter	CuYd	47.40		9.00
		24" diameter	CuYd	36.20		6.10
		Add for Frost	CuYd	-		7.20
		Rock - Soft - Dozer	CuYd	-		31.00
		Hammer	CuYd	-		77.00
		Medium - Blast	CuYd	-		93.00
		Hammer	CuYd	-		160.00
		Hard - Blast	CuYd	-		205.00
		Hammer	CuYd	-		275.00
		Swamp	CuYd	-		8.90
		Underwater	CuYd	-		11.50
.3	BACKFILL (Not Compacted and Site Borrow)					
		Add for Off-Site Borrow	CuYd	10.05		2.50
			CuYd	-		10.35

Add to All Above for Mobilization Average

5%

(1) Machine and Operators

3000 cubic yards open ledge (contract)	billed to date	\$	115,500.00
650 cubic yards trench ledge @ \$45.00	billed to date	\$	25,763.40
change order #1 1515.12 cubic yards	billed to date	\$	58,332.00
change order #3 734 cy	billed to date	\$	2,023.34
change order # 5 173 cy	billed to date	\$	6,687.00
change order #8 2531.60	billed to date	\$	97,467.00
trench ledge 291.23	billed to date	\$	-
trench ledge 74.25	billed to date	\$	3,341.00
trench ledge 354.14	billed to date	\$	-
trench ledge 93.32	billed to date	\$	4,199.40
TOTAL BILLED TO DATE		\$	313,313.14
<u>CALCULATION OF 15% PROFIT</u>			
5766.32 cy @ 275.00	1,585,738.00		237,860.70
3000 cy @ 236.50	709,500	\$	106,425.00
5766.32 @ 20.00	115,326.00	\$	17,298.96
TOTAL PROFIT AND OVERHEAD ON ADDITIONAL COST		\$	361,584.66